

TO EXTEND TIME OF EXCHANGE OF GOVERNMENT LANDS FOR PRIVATE LANDS

JANUARY 12, 1925.—Committed to the Committee of the Whole House on the
state of the Union and ordered to be printed

Mr. WAINWRIGHT, from the Committee on Military Affairs, sub-
mitted the following

REPORT

[To accompany H. R. 11410]

The Committee on Military Affairs, to whom was referred the bill (H. R. 11410) to extend the time for the exchange of Government-owned lands in the Territory of Hawaii, having considered the same, report thereon with the recommendation that it do pass.

Public Law No. 135, an act to provide for the exchange of Government lands for privately owned lands in the Territory of Hawaii, was passed in the Sixty-seventh Congress, and under the provisions of the law the proposed exchanges were to be made within a certain time limit. The Secretary of War, in a communication to the late chairman of your committee, has stated that an extension of this time limit for a period of one year will prove quite beneficial to the Government. For this reason your committee has taken favorable action on the measure and urges early adoption of the bill, as the time for these exchanges under the present law ends on January 31.

A cablegram received from the commanding general Hawaiian Department on January 5 by The Adjutant General of the Army reads as follows:

Reference your letter November 20 relative extension land exchange act, governor states, "Public interest will be served by an extension of this law for period of one year." Two important exchanges now pending can not be accomplished before expiration of present act. Strongly recommend act be extended one year.

MENOHER.

The letter of the Secretary of War, together with a study of the subject, is made a part of this report, as follows:

DECEMBER 12, 1924.

HON. JULIUS KAHN,

*Chairman Committee on Military Affairs,
House of Representatives.*

MY DEAR MR. KAHN: Inclosed herewith is a draft of a bill to extend the provision of Public 135, Sixty-seventh Congress, H. R. 4598, an act to provide for the exchange of Government lands for privately owned lands in the Territory of Hawaii for a period of one year until January 31, 1926.

Many benefits have accrued to the War Department through the provisions of the present land exchange act which expires January 31, 1925, but all of the exchanges that were contemplated when the original bill was presented to Congress have not been completed within the time provided by the bill for the exchange of lands in the Territory of Hawaii, and it is for the purpose of completing all exchanges contemplated and in process of accomplishment that the extension of this bill is requested.

No new features with regard to the question of land exchange in the Hawaiian Islands have developed since the passage of the original bill, but it is felt that in the interests of economy and national defense this bill would be extended for a period of one year.

Inclosed is a study prepared in the General Staff of the War Department giving complete information as to what has been accomplished and what has failed of accomplishment under the provisions of the land exchange act and what is hoped to be accomplished by its extension.

Sincerely yours,

JOHN W. WEEKS,
Secretary of War.

NOVEMBER 19, 1924.

Memorandum for the Chief of Staff.

Subject: Land exchange act (H. R. 4598), entitled "An act to provide for the exchange of Government land for privately owned land in the Territory of Hawaii" (Public 135, 67th Cong.).

1. REFERENCES

1. Letter from the commanding general Hawaiian Department to The Adjutant General. (Q. M. 601.3, July 17, 1924.)
2. Public 135, Sixty-seventh Congress.
3. H. R. 10432.
4. Letter from the Secretary of War to the chairman Committee on the Territories, dated December 16, 1919. (A. G. 601.4.)
5. Letter from the commanding general Hawaiian Department to The Adjutant General, dated July 16, 1920. (A. G. 601.4.)
6. H. R. 5949, October 6, 1917, Public 64; H. R. 8819, July 28, 1920, Public 151.
7. Letter from the commanding general Hawaiian Department to The Adjutant General, dated March 28, 1921. (A. G. 601.4.)
8. Letters from the Secretary of War to chairmen Committee on Military Affairs of Senate and House, both dated April 16, 1921.
9. Letter from The Adjutant General to the commanding general Hawaiian Department (610.4, Misc.), June 18, 1921.
10. Letter from the commanding general Hawaiian Department to The Adjutant General, dated July 19, 1921. (A. G. 601.4.)
11. Executive Order No. 3358, November 20, 1920.
12. Opinion submitted to Secretary of the Treasury by the Attorney General, dated January 16, 1923.
13. Letter from the Attorney General to the Secretary of War, dated February 16, 1923.
14. Report of board of public lands, Territory of Hawaii, in re the Kalena exchange.
15. Letter from the commanding general Hawaiian Department to the Governor Territory of Hawaii, dated September 19, 1923.
16. Letter from the Governor of Hawaii to the commanding general Hawaiian Department, dated September 24, 1923. (A. G. 601.4.)

17. Memorandum for the Chief of Staff, W. P. D. 1064-4. Dated November 28, 1923, subject: "Exchange of lands, Hawaiian Territory."
18. Letter from former Gov. C. J. McCarthy, 317 Bond Building, Washington, D. C., dated December 27, 1923, to Hon. W. R. Farrington, Governor of Hawaii. (A. G. 601.4.)
19. Letter from the Acting Chief of Staff to Hon. W. R. Barrington, dated November 30, 1923. (A. G. 601.4.)
20. Letter from the Governor of Hawaii to the commanding general Hawaiian Department, dated September 24, 1923. (A. G. 601.4.)
21. Extract from Senate Journal, Hawaii, Twelfth Legislature, regular session, 1923.
22. Reference memorandum W. P. D., General Staff, October 17, 1923, subject: "Conference with Governor Farrington."
23. Letter from the commanding general Hawaiian Department to The Adjutant General, dated December 4, 1923. (A. G. 601.4.)
24. Letter from the commanding general Hawaiian Department to The Adjutant General, dated April 16, 1924.
25. Executive Order No. 4036, June 26, 1924.
26. Letter from commanding general Hawaiian Department to The Adjutant General, dated May 8, 1923. (A. G. 601.)
27. J. B. No. 304 (Serial No. 234), dated November 3, 1924.
28. Telegram from The Adjutant General to the commanding general Hawaiian Department, dated November 5, 1924.

II. THE PROBLEM PRESENTED

1. What should be the action of the War Department relative to the request of the commanding general Hawaiian Department, to extend the operation of the land exchange act (Public No. 135, 67th Cong.) for a period of one year?

III. FACTS BEARING UPON THE PROBLEM

1. In accordance with the provisions of section 5, the national defense act, approved June 3, 1916, as amended, and in accordance with subparagraph a, paragraph 3, memorandum O. C. of S. 3225, dated January 14, 1923, in order to present information to Congress, should the War Department decide to request an extension of the operation of the land exchange act (Public No. 135, 67th Cong.), it will be necessary to outline in some detail the history of this act from the time of its conception until the present date and to show the successive steps taken to accomplish the passage of the act providing for land exchange, and to sum up what has been accomplished since its passage and what is hoped to be accomplished by its extension.

ACTION TAKEN PRIOR TO PASSAGE OF THE ACT

2. According to records on file in the War Department, there was introduced into the first session of the Sixty-sixth Congress at the request of Maj. Gen. C. G. Morton, United States Army, the commanding general Hawaiian Department, a bill for the exchange of Government (War Department) owned lands for privately owned lands. This bill was known as H. R. 10432 and was introduced by Mr. Kahn, and referred to the Committee on Military Affairs November 7, 1919. On November 14, 1919, the Committee on Military Affairs discharged and referred it to the Committee on the Territories. Records of the War Department indicate that the Committee on the Territories almost immediately called upon the Secretary of War for definite information as to the extent and value of the land to be acquired should the bill pass. Information was furnished by the Secretary of War in a letter to the chairman Committee on the Territories (A. G. 601.4), dated December 16, 1919. The following information was contained therein.

LAND TO BE ACQUIRED, EXTENT AND VALUE

- (a) The Kalena tract consisting of 254 acres, valued by the owner at \$65,000, taxed by the Territory at a valuation of \$40,000, appraised by Government appraisers at \$20,000, condemnation proceedings probably would find land to be worth \$25,000.
- (b) The Maili Pocket tract consisting of 736 acres, owned by Kaala Land Co., offered to Government for \$40,000.

(c) The Barbers Point tract, 143 acres, owner and price not stated.

(d) Battery Mills tract, 3 acres, owner and price not stated.

(e) Fort Shafter tract, 10 acres, owner and price not stated.

A complete description of land to be exchanged belonging to the War Department and that to be acquired from the Territory and private interests will not be given until later in this study when only those tracts of interest in the contemplated extension of the land exchange act will be fully described.

3. On May 24, 1920, the Senate passed S. 3461, which read substantially the same as the original bill H. R. 10432. On February 2, 1920, the House passed a bill with amendments limiting the time in which the land exchange law be effective to three years after the passage of the act, and made some other changes not material to this study. The bill was not passed at this session. In order to keep the War Department informed as to the situation in Hawaii and to attempt to have the bill passed at the next session of Congress, the commanding general Hawaiian Department, in a letter to The Adjutant General (A. G. 601.4), dated July 16, 1920, requested that the bill again be brought up in the amended form as passed by the House. In this letter the following statements as to the necessity for the bill were made:

That the Government needed the following tracts of land:

(a) The Kalena tract. Stated that \$30,000 had been appropriated by Congress for acquisition, but for which the owner desired \$60,000. This tract needed for a rifle range. The \$30,000 was appropriated by Congress as follows:

Army appropriation act, 1917.....	\$10, 300
Army appropriation act, 1920.....	20, 000
Total.....	30, 300

(References H. R. 5949, October 6, 1917, Public No. 64, and H. R. 8819, February 28, 1923, Public No. 151.)

(b) The Maili Pocket tract. Price not stated; presumed to be \$40,000. Needed for an Artillery target range.

Records show considerable correspondence between the commanding general Hawaiian Department and the War Department, and both Houses of Congress and the War Department, previous to the passage of the act, but this correspondence throws no further light upon the needs of the Hawaiian Department for the land and shows no changes in the plans of the commanding general Hawaiian Department, the War Department, or in the attitude of the Territorial officials in the matter.

4. In a letter to The Adjutant General (A. G. 601.4) dated March 28, 1921, the commanding general Hawaiian Department again requested the passage of a land exchange act in which was enumerated the following land needs:

(a) The Kalena tract at Schofield Barracks:

Appropriated.....	\$30, 300
Owner's valuation.....	60, 000

(b) Maili Pocket tract, adjoining Schofield Barracks Reservation; needed for an Artillery target range; value, \$40,000.

(c) Sites for fixed batteries which have been or may be approved.

(d) Land for right of way for railway artillery.

This letter also makes reference to new lands that may be desired if exigencies of the service make additions indispensable. This reference was due to the fact that the project for the defense of Oahu has just been submitted to the War Department for approval under date of January 15, 1921, and contained projects for the acquisition of land for defense purposes. Immediately following the receipt of this letter, under date of April 16, 1921, the Secretary of War transmitted the draft of a land exchange bill to the chairman of the Committee on Military Affairs of both the Senate and the House. This bill differed slightly from the previous bill in that it provided for the exchange of land owned by the Territory of Hawaii for Government-owned land or privately owned land. It was pointed out in these letters to Congress that with the changes and developments in the plans for the defense of the Hawaiian Islands other tracts of land would probably be necessary for military purposes. Bills identical in form were introduced as requested by the commanding general, Hawaiian Department. These bills met some opposition immediately and under date of June 18, 1921 (A. G. 601.4), the War Department transmitted a new or substitute bill to the commanding general Hawaiian Department for remark and recommendation. It was very evident from the attitude of the chairmen of the Military Committees of the Senate and House that they felt that sufficient detailed information had

not been furnished their committees to intelligently recommend the passage of the bill as presented to Congress.

5. As a result of a letter from the War Department to the commanding general Hawaiian Department (A. G. 601.4), dated June 18, 1921, there was received by The Adjutant General a letter from the commanding general Hawaiian Department (A. G. 601.4), dated July 19, 1921, in reply to the letter above mentioned. This letter stated in detail the immediate needs of the Hawaiian Department, with reasons therefor, and also stated what lands owned by the Government it was proposed to exchange for privately owned or territorially owned land, summed up briefly as follows:

Needs

(a) Kalena tract, owned by L. L. McCandless, value-----	\$60, 000
(b) Maili pocket tract, value-----	40, 000
(c) A camp site on northern and southern shores for training of troops for the development of the plans for the defense of Oahu-----	(1)
(d) Addition to existing military reservations where development is required-----	(1)

¹ No valuation.

Exchange

(a) Kalena tract to War Department, from L. L. McCandless (valuation Territorial assessor)-----	20, 000
(b) To Territory, Naimanalo Military Reservation, from War Department-----	19, 915
(c) To Mr. McCandless (owner of the Kalena tract), Makua tract, by the Territory-----	19, 520

The commanding general Hawaiian Department further stated that other tracts would probably be needed to properly carry out the project for the defense of Oahu. He further stated that the new bill as drafted by the War Department was satisfactory.

6. The Secretary of War, under date of August 15, 1921, transmitted the new bill to both Military Committees of Congress. The bill was finally passed in its present form as Public No. 135, Sixty-seventh Congress, H. R. 4598, an act to provide for the exchange of Government lands for privately owned land in the Territory of Hawaii. The bill was signed by the President January 31, 1922. No record is on file in the War Department, but it is presumed that a copy of the bill was furnished the commanding general Hawaiian Department, immediately, and it is further presumed that both the Governor of Hawaii and the commanding general Hawaiian Department received the bill sometime in February, 1922.

PRELIMINARY NEGOTIATIONS BETWEEN THE GOVERNOR OF HAWAII, THE COMMANDING GENERAL HAWAIIAN DEPARTMENT, AND PRIVATE INTERESTS PRIOR TO THE PASSAGE OF THE ACT

7. From correspondence on file in the War Department, from studies by the General Staff, from conferences between a representative of the War Plans Division and the commanding general Hawaiian Department, and from conferences between the Deputy Chief of Staff and the Governor of Hawaii, records show that preliminary negotiations with reference to the acquisition of the Kalena tract by the War Department prior to the passage of the act were carried on between Maj. Gen. C. G. Morton, United States Army, commanding general Hawaiian Department; Hon. C. J. McCarthy, Governor of the Territory of Hawaii; and Mr. L. L. McCandless. It appears that General Morton, Governor McCarthy, and Mr. McCandless were all agreed as to the immediate and rapid consummation of the following exchange:

Kalena tract, to the Army.

Waimanalo tract, to the Territory of Hawaii.

Makua tract, to Mr. L. L. McCandless.

Other acquisitions and exchanges were not definitely decided upon prior to the passage of the act.

DESCRIPTION OF ALL LAND BELONGING TO THE WAR DEPARTMENT, TERRITORY OF HAWAII, AND PRIVATE INDIVIDUALS, THAT HAS BEEN CONSIDERED IN NEGOTIATIONS

8. In order to present a proper picture of the whole and to save reference to files, there is inserted here a description of all lands belonging to the War Department, Territory of Hawaii, and private interests which were considered in land negotiations carried on under the provisions of the land exchange act. Inclosed map shows location of all lands described below.

(a) *Government-owned lands.*—(1) Waimalale Reservation: This reservation consists of 1,510 acres and is located on the east coast of Oahu. It extends for about $1\frac{1}{2}$ miles along an excellent beach. About 200 acres of this land is fair cane land and is now under lease to a sugar company. A strip of the reservation about 1,000 yards wide on the water front is used as a camp site for troops for field training and is used by the Air Service the year around as a bombing range. It will soon be approached by an excellent macadam road which will enhance its value for military as well as commercial purposes.

(2) Aiea Military Reservation: This reservation comprises something over 200 acres and is located at the northern end of Pearl Harbor, about 7 miles west of Honolulu. It is traversed by the Oahu Railroad and the principal highway of the island. Wells for the joint Army and Navy water supply have been sunk near the shore line of Pearl Harbor. It has considerable military value for camping and maneuvering purposes, but due to its location in the center of the cane belt it has a high sale, rental, and exchange value.

(3) The Keaahale Military Reservation: This reservation comprises something over 200 acres on the east coast and extends into the mountains. Adjoining this reservation is a fine spring. It is admirable for camping purposes and battery positions. It will also ultimately have a fair exchange value as pineapple land. This reservation will be referred to later in this study as having been transferred to the Territory by Executive order.

(4) The Kuwaahoe Military Reservation: This reservation embraces approximately 200 acres of land at the extremity of the peninsula extending from the east coast. It is useful as a site for 240-millimeter howitzers and has a coast artillery observation station at its eastern end. It has been under lease for a number of years to a ranch company and has a fair exchange value.

(5) Waianae, Lualualei, and Nanakuli Reservations: These three reservations stretching along the western shore of the island aggregate some 300 acres. These lands are of great value for military purposes for beach defense and are used extensively for camping and maneuvers. Some portions of these areas are now being considered for exchange purposes, but the areas proposed for exchange have been selected so as not to impair the usefulness of the remainder for military purposes.

(6) Sand Island: This comprises a valuable piece of land on the outer side of the harbor of Honolulu. It was made by depositing the dredged material from Honolulu Harbor under the Chief of Engineers, incident to river and harbor work. It came into possession of the War Department through legal proceedings involving the Oahu Railway & Land Co. It was set aside for military purposes by Executive order No. 3358, signed by Woodrow Wilson, and dated the White House, November 24, 1920. (This was prior to the passage of the land exchange act.) Shortly after the Executive order was issued the Treasury Department made a report to the War Department that Sand Island should not be set aside for the War Department for military purposes but should belong to the Treasury Department. Without going into the legal aspects of the case, records also show that the Territory unofficially claimed that Sand Island should belong to the Territory and should not have been set aside by Executive order for military purposes. From the time of the setting aside of Sand Island—November 24, 1920—to January 16, 1923 (about two years), and for one year after the passage of the land exchange act considerable correspondence passed between the War Department, Treasury Department, and the office of the Attorney General regarding the title to Sand Island. Propaganda was also being spread in the Hawaiian Islands by newspapers, which claimed that Sand Island should belong to the Territory although this contention was never legally taken up by the Territorial authorities. This matter was finally settled on January 16, 1923, the date of a decision by the Attorney General of the United States, addressed to the Secretary of the Treasury, giving a clear title to Sand Island to the War Department. This brief history of Sand Island is inserted here as Sand Island seems to have the most bearing on negotiations between the commanding general Hawaiian Department and the Governor of the Territory

of Hawaii, after the passage of the act, January 31, 1922. No mention was made of Sand Island prior to the passage of the act in War Department studies or in the letters from the commanding general Hawaiian Department so far as details of land exchange to be carried out under the act are concerned.

(7) Lot on Allen Street: This is a lot near the water front in the heart of the business section of Honolulu containing about 30,000 square feet and adjacent to the quartermaster shore activities. It was probably originally used for storage of coal for Army use. Since the construction of Pier 2, adjacent to Fort Armstrong in Honolulu Harbor, there is no need for this lot for Army storage. It is constantly increasing in commercial value and is a very desirable piece of business property.

(b) *Territorial lands.*—(1) Makua tract: The lands in Makua and Khanahaiki lands comprise in all an area of 2,165 acres classified by the Territorial survey office as follows:

	Acres
Agricultural land.....	52
Waste land.....	311
Grazing land.....	1,302

Except for a small part owned by L. L. McCandless, the above area forms the whole of Makua Valley situated on the western coast of Oahu about 8 miles north of Waianae. This land is good for pastoral purposes only as there is no habitation within 8 miles and is not accessible by road.

(c) *Private lands.*—(1) Kalena lands: This is a tract owned by Mr. L. L. McCandless and situated at Leiluhua, practically in the center of the Schofield Barracks Reservation, and is classified as follows:

	Acres
Agricultural land.....	171
Waste and pastoral land.....	83

This land is particularly favorable for cultivation of pineapples, and, due to the growth of the pineapple industry, is constantly increasing in value. This land is absolutely essential to the military as it is in the center of all training activities of one of the largest garrisons of troops in the Army and forms part of the small-arms range at Schofield Barracks.

(2) Maili pocket tract: This tract, consisting of approximately 715 acres, is adjacent to the Schofield Barracks reservation and lies behind and forms part of the only possible and desirable Artillery target range on the island of Oahu. It has been used for this purpose for many years by consent of the owners but due to its constantly increasing value as pineapple land, such an arrangement can not be continued long. The acquisition of this tract was one of the War Department's avowed purposes in securing the passage of the land exchange act.

(3) Land adjacent to Tripler General Hospital and Fort Shafter: Tripler General Hospital and Fort Shafter (headquarters Hawaiian Department) are situated on the main highway from Honolulu to Pearl Harbor and Schofield Barracks, practically in the city limits of Honolulu and about 3 miles from the heart of the city. These reservations are only separated by the highway, but are at the foot of one of the gulches which conform to the general south coast line formation. Due to the development of the project for the defense of Oahu, additional building sites are necessary at both Tripler General Hospital and Fort Shafter. Due to the formation above described, there are practically no building sites left on these two reservations where permanent buildings can be constructed without considerable expense of excavating and grading. Immediately west of and adjoining this reservation is a tract of fairly level land which is ideal for a building site and is now only used for agricultural purposes. The question of the acquisition of this land by exchange was taken up but not pushed, due to the fact that the owner was of unsound mind and his guardians did not have power to make the exchange of land. The owner, however, has since died and all legal obstacles to the acquisition of this land have been removed. This acquisition would be a considerable saving to the Government and would permit the construction of permanent buildings with a minimum of excavation and grading.

(4) Tract on north shore: This tract consists of about 90 acres of beach land on the north shore about $6\frac{1}{2}$ miles west of Saialua, known as the Kawaihapai camp site. This site is often used by troops for temporary camping purposes due to the courtesy of the owners. It is necessary in the training of troops for concentrations on the north shore and training in beach defense and is almost vital in the scheme for carrying out the plans for the defense of Oahu.

(5) Small tracts for observation and command posts and location of all classes of artillery: There are a number of small tracts needed in the fire-control and communications system that must be acquired. In the final plans for the defense of Oahu, land must be acquired for location of antiaircraft and mobile batteries to carry out the training for the defense of Oahu. These tracts are needed and are of little value and can be acquired in connection with the exchange of certain valuable lands now belonging to the War Department.

9. When the land exchange act of January 31, 1922, was passed by Congress, Maj. Gen. C. C. Morton, United States Army, had been succeeded by Maj. Gen. C. P. Summerall, United States Army, as commanding general Hawaiian Department, and Gov. C. J. McCarthy had been succeeded by Gov. W. R. Farrington as Governor of the Territory Hawaii. There are no records on file in the War Department to indicate what definite negotiations, if any, were carried on between General Summerall and Governor Farrington, or between members of their respective staffs, from the time of the passage of the act (January 31, 1922) until a letter was written by Maj. Gen. C. P. Summerall, United States Army, commanding Hawaiian Department, to the Hon. W. R. Farrington, Governor of Hawaii, dated September 19, 1923, stating in substance his desires and views in carrying out the provisions of the land exchange act. This letter was replied to by the governor under date of September 24, 1923. Before going into detail as to the attitude of Governor Farrington and General Summerall as expressed in the above letter, it is evident from these letters and later correspondence that Governor Farrington and General Summerall had been thoroughly familiarizing themselves with the situation as to the land exchange in the Hawaiian Department and the Territory of Hawaii in order to protect the interests of all concerned in the matter.

10. It is reasonable to presume that the delay of definite negotiations between the commanding general Hawaiian Department and the Governor of Hawaii (about one and one-half years after the passage of the act) can be explained by three causes:

(a) Necessity of a new governor familiarizing himself with more important matters than the land exchange act, and when it came to taking action under the land exchange act he must personally familiarize himself with the details of the act as well as the attitude of the representatives of the people of Hawaii in the Hawaiian Legislature.

(b) The necessity of the new commanding general Hawaiian Department thoroughly familiarizing himself with more important matters than the land exchange act. The project for the defense of Oahu was approved October 31, 1921, just prior to the passage of the land exchange act, and as this was the first approval of the project it was necessary for the commanding general Hawaiian Department to give this defense project priority over all other matters. In addition, the question of economy in expenditure of Government funds was at that time occupying much time of corps area and department commanders.

(c) The importance in any land exchange negotiations with the Territory of Hawaii assumed by Sand Island (new feature) and the necessity of having a clear title to Sand Island before any direct negotiations could be entered into between the Governor of Hawaii, the commanding general Hawaiian Department, and private interests. Clear title of the War Department to Sand Island was obtained January 31, 1923, one year after passage of the land exchange act.

ACTION TAKEN AFTER PASSAGE OF THE BILL—ATTITUDE OF THE NEW GOVERNOR OF HAWAII, HON. W. R. FARRINGTON

11. In attempting to analyze the attitude of the new governor and the steps by which he familiarized himself with the provisions of the land exchange act, no particular references are found in the War Department files, except a copy of a report of the board of public lands, Territory of Hawaii, in "Re the Kalena exchange." From an examination of a copy of this document it would appear that under date of July 21, 1922, five months after passage of the act, Governor Farrington addressed a communication to the commissioner of public lands, Territory of Hawaii, requesting that the public-land board investigate into the proposed exchange of land between the War Department and the Territory of Hawaii. The report mentioned above was submitted to the governor under date of August 28, 1922. The governor had previously been furnished a copy of the letter from the commanding general Hawaiian Department to The Adjutant General (A. G. 601.4), dated July 19, 1921. This letter gave the valuation of the Kalena tract, the Kakua tract, and the Waimanalo Reservation as follows:

Kalena tract (territorial tax assessor)-----	\$16, 446
Kakua Reservation (tax assessor, Dec. 11, 1919)-----	19, 520
Waimanalo Military Reservation (tax assessor, 1919)-----	19, 911
Mali pocket tract-----	41, 000

In the report of the board of public lands, Territory of Hawaii, valuations were placed as follows:

Kalena tract-----	\$35, 860
Mauka tract-----	113, 301
Waimanalo tract-----	12, 965

The board recommended against any exchange of land and went into the history of all land exchanged. The general recommendations of the board were as follows:

(a) All land set aside for military purposes by Executive order and needed by the Territory and not actually containing construction for posts and camps be returned to the Territory by Executive order.

(b) That the War Department acquire all land desired for military purposes not now under control of the War Department by condemnation proceedings and purchase.

(c) That Congress would willingly provide funds for the purchase of land necessary to the War Department.

ACTION TAKEN BY MAJ. GEN. C. P. SUMMERALL, COMMANDING GENERAL HAWAIIAN DEPARTMENT, PRIOR TO THE GOVERNOR'S LETTER OF SEPTEMBER 24, 1923.

12. There is practically no correspondence on file in the War Department relative to the action taken by the commanding general Hawaiian Department between the time of the passage of the act and the dispatch of his letter of September 19, 1923, referred to in Governor Farrington's letter of September 24, 1923, but the files of the War Department contain a memorandum for the Chief of Staff (A. G. 601.4), dated November 28, 1923, apparently the result of a conference held between a representative of the War Department (W. P. D.) and General Summerall in Honolulu, in May, 1922, supplemented by memorandum correspondence with this representative relative to this subject. This memorandum stated in part that for some months the commanding general Hawaiian Department had been engaged in attempting to arrive at a comprehensive understanding of the requirements of the Federal and Territorial governments under the land exchange law, Public Document No. 135, Sixty-seventh Congress, approved January 31, 1922. In addition, under date of September 12, 1922, the War Plans Division recommended that a comprehensive study be inaugurated to determine the present need and subsequent Federal requirements in land and real estate of the military establishment of the Hawaiian Department with a view of determining what releases and acquisitions could be made with the greatest advantage to the approved project for the defense of Oahu.

STATEMENT OF FORMER GOV. C. J. M'CARTHY

13. In a letter dated December 27, 1922, from former Governor of the Territory of Hawaii, C. J. McCarthy, to Governor Farrington from Washington, D. C., Governor McCarthy explained his part in attempting to secure the passage by Congress of the land exchange act. This letter was the result of articles appearing in the Honolulu papers relative to the attitude of the United States and former Territorial officials toward the acquisition of Sand Island by the Territory. Governor McCarthy stated that he had attempted to secure the passage of the bill in conjunction with General Morton and thought that he was responsible for its passage, as shown by the following statement contained in his letter:

"This bill remained before Congress for three years, until I came to Washington, and upon explaining the matter to the Military Committees of both the House and the Senate, it finally became law (January 31, 1922)."

Governor McCarthy in his letter dwelt considerably on the question of using Sand Island in exchange of lands between the Territory, the War Department, and private individuals and stated that he had had this in mind since the end of 1918 or early in 1919. Up to the time of Governor McCarthy's letter no mention had been made by anyone else with respect to using Sand Island in land negotiations, prior to the passage of the act.

10 EXCHANGE OF GOVERNMENT LANDS FOR PRIVATE LANDS

NEGOTIATIONS BETWEEN HON. W. R. FARRINGTON, GOVERNOR OF HAWAII, AND MAJ. GEN. C. P. SUMMERALL, COMMANDING GENERAL HAWAIIAN DEPARTMENT, TO ACCOMPLISH EXCHANGE OF GOVERNMENT OWNED LANDS FOR TERRITORIALY OWNED LANDS

FIRST POSITION OF MAJ. GEN. C. P. SUMMERALL

14. On September 19, 1923, in a letter from the commanding general Hawaiian Department to Hon. W. R. Farrington, Governor of Hawaii, the following proposal was made:

"Referring to my letters of March 27 and July 16, 1923, and your reply to the former dated March 28, 1923, I propose for your consideration the transfer to the Territory of Hawaii of the title of the War Department to Sand Island, subject to such reservations and limitations as may hereafter be agreed upon and to final approval of the War Department, in exchange for the property known as the Kalena tract, lying wholly within the military reservation of Schofield Barracks, or other property for which the Kalena tract may be acquired, and certain interests, which may hereafter be agreed upon, in the improved properties not developed or that may hereafter be developed by the Territory."

FIRST POSITION OF GOV. W. R. FARRINGTON, TERRITORY OF HAWAII

15. On September 24, 1923, in a letter to Maj. Gen. C. P. Summerall, in reply to letter of September 19, Governor Farrington stated his position as follows:

"My conclusions in connection with the land transfers proposed under House bill 4598, approved January 31, 1922, group under two principal headings:

"First. We would have no problem of moment if it were not that the proposed transaction contemplated the eventual transfer of public land that is now a source of revenue to the territory of Hawaii to private interests, the purpose being to use territorial land in exchange for privately owned land necessary to the development of Schofield Barracks.

"(a) Possession of this privately owned land, namely, the Kalena tract, could be obtained under condemnation proceedings, a method that is generally followed, especially in connection with the land for the Pearl Harbor Naval Station. I consider condemnation of land for public purposes to be the only sound business policy. The point raised against such a procedure in this instance is the assumption that Congress will not authorize the appropriation of the money necessary to make the purchase at a valuation established in the courts. I feel that strong representation should be made to the coming Congress.

"(b) My observation and experience in 28 years' residence in Hawaii lead me to conclude that bartering in public lands under a scheme of exchange of public property for private property is a policy of doubtful worth, if not absolutely unsound. Reviewing the history of the Territory of Hawaii, one will find that the Congress of the United States and the legislature of the Territory have passed laws placing more exacting safeguards around such bartering in public property. On account of these restrictions it was impossible for the former governor of the Territory and the former commanding general of the Hawaiian Department of the United States Army to carry out the proposal agreed upon by them personally, namely, that the War Department should return to the Territory Sand Island, the so-called Aioa lands, and the Waimanalo lands (the Aioa and Waimanalo lands having been transferred from the Territory to the Army on the recommendation of former Governor Pinkham); those three areas were to be returned to the Territory in exchange for the so-called Makua Valley lands, which the Army could in turn exchange for the privately owned land of Kalena in the Schofield Barracks area.

"The restriction placed upon land exchanges in Hawaii by the United States Congress made this detail impossible. Consequently a bill was introduced in Congress and we now have House bill 4598, approved January 31, 1922, under which we are endeavoring to proceed.

"Second, the program of three-cornered exchange of public land now proposed is not that which was agreed to verbally by former Governor McCarthy and former department commander, Major General Morton. Therefore, we are not carrying out the program for which special legislation was sought from the United States Congress. This is borne out by the letter of former Governor McCarthy, pertinent extracts from which were transmitted to the Hawaiian Department under date of August 21, 1922.

"(c) When this land transaction was first brought to my attention the only memorandum available in the records of the governor's office was one carrying an extract from a letter of Major General Morton to the War Department. This memorandum suggested an exchange of the Aiea and Waimanalo lands, now controlled by the Army for the Makua Valley lands controlled by the Territory.

"The remarkably exact balancing of land values given in this memorandum was so contrary to my own estimate that I referred the matter to the territorial land commissioner and the land board, who pass on all transactions in public lands under the administration of the Territory. The report of the land board confirmed my doubts and indicated to me that the transfer as outlined by the memorandum would amount to a repetition of the dissipation of public lands which gave rise to legislation in Congress and the Territorial Legislature restricting the freedom with which such transfers had previously been made. Such transactions would be contrary to previous understandings and of doubtful public policy. All this information has been furnished the Hawaiian Department, but I am now given to understand that the department contemplates alienating to private interests the Aiea sugar lands that were involved in the original understanding between Governor McCarthy and Major General Morton.

"Finally, I believe that the War Department should secure possession of the Kalena tract, but I am not yet convinced that it should be secured at such a sacrifice of public property as would be contemplated by the proposal to make the transfer of Sand Island alone to the Territory in exchange for the Makua Valley lands.

"I am prepared to recommend the carrying out of the original verbal understanding between my predecessor in office and the former commanding general of the Hawaiian Department, it being understood in this transaction that none of the land which is returned to the Territory should be available for alienation to private interests, but that it should be dedicated to public purposes—cane land for leasing and the water-front land for territorial docks and warehouses.

"During the period when this whole subject has been under consideration the legislature has met and adopted a resolution requesting the return of all or part of the two hundred and odd acres known as the Kaneohe lands, in order that they may be put to use as a much-needed new site for a territorial institution. This land is not now in use, and my understanding is that the War Department has not the money available to be used for the construction of a road from the main highway to the tract. If this is turned over the Territory, construction of a road would be a first necessity, and as it would be a permanent macadam and of general public use might make a portion of this land available to the use of the Army.

"Acting under the suggestion of the legislature, I would be justified in revising the verbal proposal made by the former Governor McCarthy, and substitute the Kaneohe land for the Aiea land, so that the exchange for Makua Valley lands would include Sand Island, the Kaneohe tract, and the Waimanalo lands.

"I fully appreciate that the lapse of time and new methods of defense call for revision of plans.

"It appears that the Territory can make more immediate practical use of Sand Island than the War Department. Sand Island is included in the territorial board of harbor commission's program for the expansion of Honolulu Harbor equipment, so as to adequately serve the rapidly growing commerce of the Pacific as well as the docking and warehouse necessities of the Treasury, War, Navy, and Commerce Departments."

ACTION TAKEN BY MAJ. GEN. C. P. SUMMERALL

16. On account of the position of the governor in refusing to meet the proposition as to the exchange of Sand Island, and in order to accomplish something, it is apparent that Maj. Gen. C. P. Summerall dropped the matter of exchange of Government-owned lands for territorially owned lands and turned his attention to the exchange of Government-owned lands for privately owned lands, which will be referred to later in this study. Letter from the commanding general Hawaiian Department to The Adjutant General, dated December 4, 1923, makes the following reference to Sand Island:

"SAND ISLAND—KALENA TRACT EXCHANGE

"A proposal has been made by these headquarters to the Governor of Hawaii to transfer to the Territory of Hawaii the title of the War Department in Sand Island, subject to such limitations and reservations as may be agreed upon and

to the approval of the Secretary of War, in exchange for the Kalena tract lying within the Schofield Reservation or other property for which the Kalena tract may be acquired, and certain interests in improved properties, including wharves and landings, now developed or that may hereafter be developed by the Territory.

"It was expected that the Territory would consent to the exchange of Sand Island for the Makua tract of Territorial land, for which the Kalena tract could be obtained.

"The Territory made a counter proposal to include in the land to be relinquished by the Federal Government the Waimanalo Reservation of 1,510 acres and the Kealahala Reservation of 218 acres.

"Inasmuch as these latter tracts are required for military purposes or to secure other essential lands by exchange, the Territory's counter proposal is not favorably considered.

"No further recommendation can be made as to this exchange at this time."

ACTION TAKEN BY HON. W. R. FARRINGTON

17. As Maj. Gen. C. P. Summerall would not agree to the exchange of land proposed in the governor's letter of September 24, Governor Farrington came to Washington in the interests of the land exchange matter, no doubt with the intention of carrying out as far as possible the wishes of the Hawaiian Legislature contained in a resolution as follows:

"Whereas through the recommendation of Gov. Lucius E. Pinkham there were set aside by presidential Executive orders for the uses of the War Department various valuable areas of public lands on the island of Oahu, Territory of Hawaii, to wit, land at Aiea, Ewa, Oahu, Executive order dated March 28, 1917, area 274.07 acres; land at Waimanalo, Oahu, Executive order dated April 4, 1917, area 1,510 acres; and land at Kealahala, Kaneohe, Oahu, Executive order dated November 9, 1914, area 217.65 acres; and

"Whereas at the time these public lands of the Territory of Hawaii were set aside it was the understanding that these areas were needed and would be used by the War Department for maneuvering or other accommodation of troops of the United States Army situated on Oahu; and

"Whereas no such use or any use has been made of these lands by the War Department and the transfer has resulted in a direct loss of income to the Territory; and

"Whereas by reason of these transfers of Territorial public lands, the Territory of Hawaii will be forced to purchase at great expense private lands to provide much needed sites for institutions, especially for the asylum for the insane; and

"Whereas by the setting aside of these acres and other lands amounting to thousands of acres, the Territory of Hawaii has consistently shown its sympathetic attitude toward all activities of our national departments of defense, never hesitating to readily acquiesce in the transfer of lands that are to be used but seriously questions the soundness of the public policy of setting aside productive land to remain in a condition of forced idleness: Now, therefore, be it

"Resolved by the Senate of the Territory of Hawaii, the House of Representatives concurring, That the Governor of the Territory of Hawaii be, and he is hereby, requested to address the President of the United States and other proper executive officers of our country, to the end that following the precedent established by the return of the former Honolulu post-office property to the custody and uses of the Territory of Hawaii, a presidential Executive order be issued returning to the control of the Territory of Hawaii, such sections of the aforementioned areas transferred during the administration of Gov. Lucius E. Pinkham, as may be made useful in the service of the Territory of Hawaii, and more especially the so-called Kealahala Military Reservation at Kaneohe, Oahu, consisting of 217.65 acres, so that this land may be put to immediate use in the service of the Territory as the site for the new Oahu asylum for the insane; and be it further

"Resolved, That a certified copy of this resolution be forthwith forwarded to the Governor of Hawaii.

("Upon motion by Senator C. A. Rice, seconded by Senator H. W. Rice, the resolution was adopted.")

Two conferences between the Governor of Hawaii and the Deputy Chief of Staff of the Army are of record wherein the governor reiterated his attitude as expressed in his letter of September 24 to General Summerall in memorandum W. P. D., General Staff, October 17, 1923, subject, "Conference with Governor Farrington, 'Sand Island,'" as follows:

"With reference to the transfer from the Federal Government to the Territorial Government of the tracts above mentioned, the governor stated that Sand

Island should be so transferred with the understanding that it would be used for the construction of docks and piers in the development of Honolulu Harbor, and that its transfer should be accompanied by the conditions:

"First, that no part of this land should ever fall into the hands of private individuals; and

"Second, that the Federal Government should, in all times of emergency, be permitted to use the land and whatever installations the Territory might install there for its purposes.

"AIEA RESERVATION

"Concerning the Aiea Military Reservation, the governor thought that it should remain in its present status. The Territory made no bid to have it returned.

"WAIMANALO MILITARY RESERVATION

"With reference to the Waimanalo Military Reservation, the governor preferred that it be not transferred to the Territory by Executive order, but that a portion of it—about 25 or 50 acres, now in sugar—be turned over to the Territory on revocable license. The balance to remain as a military reservation in accordance with the original plan to withdraw from private ownership.

"KEAAHALA MILITARY RESERVATION

"With reference to the Keaahala Military Reservation, he said the land was very fertile, beautifully located for the purpose of establishing thereon the Territorial insane asylum; that he was very anxious to procure it for that purpose; and that he understood that the Federal Government was reserving it for possible use in connection with the defense of Kaneohe Bay in case the Navy Department decided to utilize that bay in connection with the operations of the fleet.

"This reservation comprises about 200 acres. He hoped it might be possible to procure an executive order for the transfer of ground sufficient upon which to construct the buildings necessary for the asylum, say about 100 acres, and to have the remainder of the acreage in this reservation turned over to the Territory on revocable license. In this way the needs of the Territory for the asylum for a farm in connection therewith would be supplied and the needs of the Government in connection with the defense of Kaneohe Bay be safeguarded."

While in Washington, Governor Farrington attempted to have part of the Keaahala Military Reservation transferred to the Territory by Executive order. This met some opposition on the part of the War Department and the commanding general Hawaiian Department on the grounds that it should be used for land-exchange purposes under the land exchange act. Governor Farrington's efforts were finally successful and under date of June 26, 1924, Executive order No. 4036 transferred the major portion of this reservation to the Territory of Hawaii:

"Pursuant to section 91 of the act of Congress approved April 30, 1900, entitled 'An act to provide a Government for the Territory of Hawaii' (31 Stat. 141), as amended by section 7 of the act of Congress approved May 27, 1910 (36 Stat. 443), the property hereinafter described, being a part of what is known as the Keaahala Military Reservation, situated at Keaahala, Kaneohe, Koolaupoke, Island of Oahu, Territory of Hawaii, included in that reserved by Executive order of November 9, 1914 (No. 2075), is hereby restored to its previous status for use by the Territory of Hawaii as a site for an insane asylum.

* * * * *

"SPRING RESERVE LOT

"That lot or piece of land known as the spring reserve lot, described as follows:

* * * * *

"INTERCONNECTING RIGHT OF WAY

"A right of way 15 feet wide, extending from the spring reserve lot to the main portion of the reservation, described as follows:

* * * * *

"Reserving to the United States the right to use, occupy, and control the premises above described in the event of an emergency, together with all installations and property located thereon or any part of parts of the same, without cost or expense to the United States. The decision as to the existence of an emergency shall rest with the President of the United States. The United States also reserves the right to obtain from the Spring Reserve lot, without cost or expense to the United States, all water needed for military purposes on that portion of the Keaahala Military Reservation retained by the War Department, and also upon the lands being transferred by this instrument to the Territory of Hawaii, if and when such lands are reoccupied by the United States."

This action eliminated the Keaahala Reservation from consideration in connection with land exchange.

FINAL STATUS OF NEGOTIATIONS BETWEEN THE COMMANDING GENERAL HAWAIIAN DEPARTMENT AND THE GOVERNOR OF THE TERRITORY OF HAWAII RE LAND EXCHANGE

18. War Department files to date contain no further records of negotiations between the Governor of Hawaii and the commanding general Hawaiian Department regarding progress toward a settlement. Briefly, in the acquisition by the Army of the Kalena tract, the present status is as follows:

War Department plan:

From War Department to Territory, Sand Island (with certain reservations as to use of decks, etc.)	\$3, 500, 000
From Territory to L. L. McCandless, Makua tract	113, 000
From L. L. McCandless to War Department, Kalena tract	75, 000

Plan, Governor of Hawaii (assumed):

From War Department to Territory, Sand Island with reservations	3, 500, 000
From War Department to Territory, Waimanale Reservation, 25-50 acres (revokable license)	12, 500
From Territory to L. L. McCandless, Makua tract	113, 000
From L. L. McCandless to War Department, Kalena tract	75, 000

It is assumed that the Governor of Hawaii would consent to reopen negotiations on the above basis. It is evident that the two officials in Hawaii or their staffs have come to no agreement. It would appear that the military authorities have temporarily abandoned hope of coming to an agreement reference Sand Island and the Kalena tract before the time limit of the land exchange act, of January 30, 1925, is reached. Both the commanding general Hawaiian Department and the Governor of Hawaii agree that the Territory should have Sand Island for development purposes, but seem unable to reach an agreement at this time for its transfer under terms of the land exchange act.

19. The War Department needs the Kalena tract; it is increasing in value, and if it can not be acquired under the land exchange act it must be acquired by condemnation and purchase. The commanding general Hawaiian Department has realized this, as he has requested in a letter to The Adjutant General (A. G. 601.4), dated April 16, 1924, \$160,000 to acquire the Kalena and Maili Pocket tracts by condemnation and purchase, and in this letter makes the following statements:

"Steps were taken some years ago to acquire these lands by condemnation, but the funds appropriated for the purpose by Congress were insufficient, and the acquisition could not be consummated. Later the land exchange act (Public No. 135, 67th Cong.) was passed principally in order that these two tracts might be secured by exchange of other lands in the control of the War Department and not deemed of primary military importance. Long-continued efforts to effect these exchanges have been frustrated; in the case of Kalena tract, in the unwillingness of the Territory of Hawaii to carry out the arrangement that was agreeable to it when the land exchange act was first proposed; in the case of the Maili Pocket tract, by the attitude of the Navy Department against the alienation from Federal control of any lands that can be used for exchange in acquiring Maili Pocket tract. These two tracts of land are essential for proper military training here."

* * * * *

The Maili Pocket tract will be referred to later in this study and fully described in conjunction with the proposed exchange for the Aiea Military Reservation. This request for \$160,000 for acquisition of the Kalena and Maili Pocket tracts

was returned to the commanding general Hawaiian Department by the War Department for more detailed information. This letter was returned to the War Department with land in question valued as follows:

Kalena tract-----	\$65, 000
Maili Pocket tract-----	95, 000
Total-----	160, 000
Amount already appropriated by Congress-----	30, 300
Amount to be appropriated-----	129, 700

After study of this proposal by the General Staff, the following decision was made by the Secretary of War under date of October 9, 1924:

"2. In connection with Section V, 'Action recommended' on the above mentioned memorandum, your attention is invited to the following, which calls for further action from the War Department General Staff:

"That C-4, in consultation with war plans division, continue the negotiations whereby that part of the Aiea Reservation which is not needed for military or naval purposes may be exchanged for the Maili Pocket tract."

"3. Section VI of the same memorandum calls for the following action from the War Department General Staff:

"With reference to the Maili Pocket tract, there is no present congressional authority by which condemnation proceedings may be instituted. However, a bill approximating \$95,000 for this purpose is being prepared. A bill is also being prepared which will extend the Land exchange act to January 31, 1926."

NEGOTIATIONS CARRIED ON BY THE COMMANDING GENERAL HAWAIIAN DEPARTMENT AND PRIVATE INTERESTS REEXCHANGE OF GOVERNMENT OWNED LANDS FOR PRIVATELY OWNED LANDS

20. This subject is studied separately from the negotiations for exchange involving the exchange of land owned by the Territory of Hawaii as the questions and interests involved are entirely different and simplifies studying the various phases of the situation. The Governor of Hawaii stated to the Chief of Staff of the Army in a conference November 17, 1923, that he was not opposed to the exchange of Government owned lands for privately owned lands except the Waimanalo and Sand Island Reservations and no reference is made to these reservations in land exchanges with private interests by the commanding general Hawaiian Department. Negotiations for the exchange of Government owned lands for privately owned lands is described below:

(a) Exchange of 9.2 acres of Fort Ruger Reservation for camp site on north shore of Oahu and fire control and gun positions. The commanding general Hawaiian Department, in letter to The Adjutant General (Q. M. 680.5-U), April 11, 1924, subject, "Land exchange," recommends the following exchanges:

"The Federal Government to acquire—

"(a) A tract of approximately 105.46 acres situated on the north shore of Oahu, as shown on the attached blue print marked Exhibit A, subject to an easement for a 20-foot wagon road along the entire eastern boundary, so that the ranch tenants on the rest of the land may have easy access.

"(b) A fire-control site of 0.419 acres on Pupukea Plateau, as shown on map marked 'Exhibit B.'

"(c) A gun position of 2.02 acres on Pupukea Plateau, as shown on the attached blue print marked 'Exhibit C.'

"(d) A fire-control site of 0.297 acre on the slope of Mount Kaala, as shown on the attached map marked 'Exhibit D.'

"(e) A fire-control site and a gun position aggregating 3.7077 acres, with certain rights of way, as shown on the attached map marked 'Exhibit E.'

"The Federal Government to relinquish—

"(f) A parcel of land of the Fort Ruger Military Reservation, 9.2 acres, as shown on the attached blue print marked 'Exhibit F.'

"(g) A tract of 62 acres of the Lualualei Military Reservation, as shown on the attached map marked 'Exhibit G.'"

This request was approved in cablegram to the commanding general Hawaiian Department, dated May 29, 1924; the necessary papers in the case were forwarded by the commanding general Hawaiian Department in letter to The Adjutant General (Q. M. 601-U(RE)), dated August 19, 1924. This letter inclosed the proceedings of the board of appraisers provided for in the land

16 EXCHANGE OF GOVERNMENT LANDS FOR PRIVATE LANDS

exchange act, and the actual exchange of these lands is now awaiting the approval of the Secretary of War.

Value of lands to be exchanged:

(1) Kaaawa, larger tract, 3.67 acres-----	\$917. 50
Kaaawa, small tract, 0.14 acres-----	175. 00
Rights of way-----	150. 00

Total-----	1, 242. 50
------------	------------

(2) Kawaihapai, camp site on north shore, value—	
35 acres-----	14, 000. 00
70.46 acres-----	14, 796. 60

Total-----	28, 796. 60
------------	-------------

(3) Waialua, fire-control station, value—	
0.297 acre-----	175. 00

(4) Pupukea, fire-control station and gun positions, value, 0.419 acre and 2.02 acres, total 2.439 acres-----	609. 75
--	---------

Federal Government land:

(1) Diamond Head, 9.2 acres-----	18, 400. 00
(2) Lualualei, 62 acres-----	12, 400. 00

Total-----	30, 800. 00
------------	-------------

(b) Exchange of Aioa Reservation to private parties for Maili pocket tract: The commanding general Hawaiian Department, submitted for approval of the Secretary of War in letter to The Adjutant General, dated October 8, 1923, the following scheme for land exchange:

"Negotiations, subject to the approval of the War Department, have been practically completed with a view to making an exchange of land, under the act of Congress approved January 31, 1922 (Public No. 135, 67th Cong.), as follows:

"The Federal Government to acquire:

"(a) A tract of approximately 715 acres adjacent to Schofield Barracks, known as the Maili pocket tract, shown on blue print marked A.

"(b) A tract on the north shore of Oahu, consisting of about 90 acres, shown on blue print marked B.

"The Federal Government to relinquish:

"(c) Approximately 256 acres of the Aioa Military Reservation, as shown on the blue print marked C.

"(d) A strip of beach land at Lualualei Military Reservation of about 45 acres, shown on blue print marked D."

This was returned by the War Department by indorsement dated November 9, 1923, with the following statement:

"In view of recent determination that the retention of all of the Aioa Reservation was necessary to provide water for military and naval stations at Pearl Harbor, of which action you were advised by action taken October 29, 1923 (A. G. 602.3), the proposed exchange can not be approved, at this time.

"It is requested that you submit at the earliest practicable date a report as to the status of all exchanges of lands contemplated pursuant to the act of January 31, 1922, setting forth the facts and your recommendations relative to each proposed exchange."

This was due to opposition of the Navy members of the joint board in Washington and the attitude of the joint board toward this exchange appears from the following paragraph in a letter to the Secretary of War dated December 13, 1923, from senior member of the board:

"In view of the position taken by the Secretary of War, as stated above, the joint board is of the opinion that no further action in the case is required at the present time. In order to insure consideration of this matter from all angles, should it again be brought to the attention of the two departments, the joint board recommends that before any part of the Aioa Reservation, Oahu, Hawaii, is disposed of by the War Department, the papers in the case be referred to the joint board for consideration and recommendation."

From an examination of the records it would appear as the joint board was unable to finally decide as to the ultimate status of the Aioa Reservation, the following telegram was dispatched to the commanding general Hawaiian Department by request of the joint board dated May 16, 1924:

"Reference report local joint planning committee War and Navy Departments consider future adequate water supply Pearl Harbor of primary importance to Army and Navy but not convinced use of all or part Aiea Reservation only solution. According desired that after personal conference with commandant fourteenth naval district you report whether use of all or part Aiea Reservation is best solution. If not what better solution is available? Difficult for joint board to arrive at sound solution because of divergent views so far presented."

To which telegram the following reply was received:

"Personal conference held with commandant fourteenth naval district was ordered. At his suggestion two Army and two Navy officers have been ordered to duty and report on technical engineering problem of Pearl Harbor water supply in relation to Aiea Military Reservation."

Under date of July 21, 1924, the commanding general Hawaiian Department forwarded the approved report of the local Army and Navy joint planning committee which made the following recommendation:

"The board recommends that there be transferred to the Navy Department, upon request, the reservoir tract in the southwest corner of the Aiea Military Reservation, the pumping station and waterfront tract, and the connecting 30 feet right of way between these tracts, the Army reserving the right to construct a wharf and its appurtenances and the right of ingress and egress across the pumping station and waterfront tracts, all of these as specifically shown and described in enclosures (D) and (E)."

The joint board under date of November 3, 1924, made the following recommendation with reference to the disposition of the Aiea Military Reservation and its status with reference to land exchange:

[Extract from letter from the joint board to the Secretary of War and the Secretary of the Navy]

"THE JOINT BOARD,
"Washington, November 3, 1924.

"To: The Secretary of War.

"Subject: Aiea Military Reservation, Oahu, Hawaii.

* * * * *

"3. The joint board has given very careful consideration to all phases of this subject and recommends that the War Department transfer to the Navy Department a portion of the southwest corner of tract No. 1 of Aiea Military Reservation, and all of the pumping station and water front tract, and the connecting right of way between these tracts, the Army reserving the right to construct a wharf and its appurtenances and the right of ingress and egress across the pumping station and water front tracts, all as specifically shown on inclosure D and E (copies herewith) accompanying the report of a joint board of Army and Navy Engineer officers on the use of the Aiea Military Reservation for water supply for the Navy dated 19 July, 1924. References (b) and (c).

"4. The joint board further recommends that, at the same time, the War Department proceed with the exchange of the remaining portion of Aiea Military Reservation in accordance with the provisions of the act approved January 31, 1922, reserving to the Navy Department a permanent right to lay and maintain pipe lines along and adjacent to the Aiea stream throughout tract No. 1 of the Aiea Military Reservation and also a permanent right to lay and maintain pipe lines along and closely adjacent to the western boundary of tract No. 1 of the Aiea Military Reservation, all as specifically described in the supplemental report (second indorsement) of the joint board on use of the Aiea Military Reservation, dated July 25, 1924. (Reference (b) and (c).)"

The above report was approved by the Acting Secretary of War, November 4, 1924.

This now leaves the road open for the commanding general Hawaiian Department to reopen negotiations for the original exchange and that he intends to do so is evidenced by the following quotation from his letter of transmittal approving the board's proceeding:

"It is requested that the action of the joint board in Washington be expedited in order that, if approved, remainder of the Aiea Reservation may be considered available for exchange purposes. Radio advice of the joint board's action is requested.

"Negotiations are being started to acquire the Maili Pocket Tract for the remaining portion of the Aiea land but have not yet reached a point where a definite recommendation can be made."

In accordance with request contained in above-quoted letter, the War Department on November 5, 1924, sent the following cablegram to the commanding general Hawaiian Department:

"Reference your radiogram number 2124, dated September 2. Based upon action of the joint board, dated November 3, 1924, approved by the Secretary of War, November 4, 1924, the War Department will transfer to the Navy Department a portion of the southwest corner of tract No. 1 of Aiea Military Reservation and all of the pumping station, and waterfront tract, and the connecting right of way between those tracts, the Army reserving the right to construct a wharf and its appurtenances and the right of ingress and egress across the pumping station and waterfront tracts, all as specifically shown on inclosures D and E accompanying the report of the local joint board of Army and Navy Engineer officers on the use of Aiea Military Reservation for water supply for the Navy, dated July 19, 1924.

"You will proceed with the exchange of the remaining portion of the Aiea Military Reservation in accordance with the provisions of the act approved January 31, 1922, reserving to the Navy Department a permanent right to lay and maintain pipe lines along and adjacent to the Aiea stream tract throughout tract No. 1 of the Aiea Military Reservation and also permanent right to lay and maintain pipe lines along and closely adjacent to the western boundary of tract No. 1 of the Aiea Military Reservation, all as specifically described in the supplementary report, second indorsement of the local joint board on the use of Aiea Military Reservation, dated July 25, 1924.

"It is suggested that attempt be made to include in this transfer the acquisition of such additional tracts and sites as may be required for fire-control stations, the approved communications system, and other purposes essential to the development of the approved project for the defense of Oahu in so far as practicable."

(c) Exchange of a tract in the city of Honolulu situated on Allen Street, property of the War Department, for two tracts of land aggregating approximately 19 acres adjacent to the western boundary of Fort Shafter Military Reservation.

In a letter from the commanding general Hawaiian Department to The Adjutant General (QM 601.1-U-RE) February 11, 1924, subject, "Land exchange—Addition to Fort Shafter Reservation," the commanding general Hawaiian Department requested approval of the War Department to negotiations with private parties for the exchange of the following land:

"The Federal Government to acquire—

"(a) Two tracts of land aggregating approximately 19 acres situated adjacent to the western boundary of the Fort Shafter Military Reservation, as shown on the blue print herewith marked 'Exhibit A.'

"The Federal Government to relinquish—

"(b) A tract in the city of Honolulu situated on Allen Street, between Bishop and Kekuanoa Streets, and containing approximately 30,000 square feet, as shown on the blue print herewith marked 'Exhibit B.' Control of this tract was conferred upon the War Department by Executive Order No. 2581, dated April 4, 1917."

The land to be acquired is necessary in the military service in order to find suitable land to extend the military reservations, Triplax General Hospital and Fort Shafter, and in order to have land for the construction of additional barracks and quarters necessary to carry out the approved project for the defense of Oahu. Before this request could be considered and approved by the War Department, the commanding general Hawaiian Department advised The Adjutant General in a letter dated February 20, 1924, subject, "Land Exchange—addition to Fort Shafter Reservation," that on account of certain legal complications due to the owner being of unsound mind and his guardians being without authority to negotiate an exchange for him, requested that the matter be held up and no action taken at the present time. In a letter from the commanding general Hawaiian Department to The Adjutant General (Q. M. 601.1 U. July 17, 1924) subject, "Land exchange—addition to Fort Shafter Reservation," the commanding general Hawaiian Department stated that the owner of the land to be acquired, mentioned above, had recently died and the trustees named in that will, authorized to sell, exchange, or otherwise dispose of real estate, have stated that they are favorably disposed to the exchange. The War Department then took action and the Secretary of War approved the negotiations for this exchange. The commanding general Hawaiian Department was advised by letter dated September 4, 1924, to proceed with the appraisal and forward same to the War Department for approval as required under the provisions of the land exchange act.

(d) Magoon trust exchange: This is an exchange of land between the Government (War Department) and private individuals as follows:

The Federal Government to acquire a tract of 10 lots, approximately 3½ acres, adjacent to the Fort Ruger Reservation.

The Federal Government to relinquish a tract of land on the Fort Ruger Reservation between Diamond Head Road and the J. A. Magoon property at Kaalawai.

The commanding general requested in letter to The Adjutant General of the Army, dated May 8, 1923, authority to proceed with the exchange of the following:

"1. There are transmitted herewith two blue prints marked 'Exhibits A and B,' respectively, showing on Exhibit A a tract of land on the Fort Ruger Reservation, lying between Diamond Head Road and the J. A. Magoon property at Kaalawai, that is desired by the Magoon trust estate in order to effect an entrance roadway to that property; while on Exhibit B is shown a tract of 10 lots adjacent to another portion of Fort Ruger that the Magoon trust estate offers in exchange for the land shown on Exhibit A.

"2. The land desired by the Magoon trust estate is of no military value. Its surface is much broken by gulches and it is practically useless except for the purpose that the applicant for this exchange desires it.

"3. On the other hand, the property offered in blocks 56 and 57, as shown on Exhibit B, is available for building by reason of its topography and is very conveniently situated adjacent to the present barracks, stable, and quartermaster corral at Fort Ruger.

"4. The consummation of this exchange under the provisions of the act approved January 31, 1922 (Public, No. 135, 67th Cong.) is recommended. It is believed that the two tracts are substantially equivalent in value. It is requested that the Attorney General be asked to pass upon the title of the tracts of land involved, and that the Secretary of War, in accordance with the provisions of section 11 of the act above named, appoint as appraisers in this matter Mr. I. H. Beadle, Trent Trust Co., Honolulu; Lieut. Col. William B. Pistole, Judge Advocate General's Department, judge advocate, Hawaiian Department; First Lieut. Edwin V. Dunstan, Quartermaster Corps, real estate officer, Hawaiian Department.

Mr. Beadle's compensation would be \$15 per day for each day actually engaged upon the work of appraisal. It is estimated that the appraisal of the property herein considered can be accomplished within two days."

In the above exchange there was no particular difficulty encountered and the various steps will not be enumerated. Attention, however, is invited to the fact that the request for the exchange was initiated by the commanding general Hawaiian Department on May 8, 1923, and was finally filed and approved in the War Department March 25, 1924, the following being the result of the land-exchange negotiations:

The Federal Government acquired 3.5 acres of land adjacent to Diamond Head, value approximately.....	\$5, 000
The Federal Government relinquished a tract of land adjacent to the Fort Ruger Reservation, 3.5 acres, value approximately.....	5, 000

Attention is invited to the time that it took to consummate this exchange when no serious difficulties were encountered. It can be realized from the above the time it may take to make an exchange of land involving more legal questions, when the time consumed to make the simplest exchange under the land exchange act was 10½ months.

21. It can be seen from an examination of subparagraphs (a) and (b), paragraph 20 above, that each proposal for exchange of lands includes approximately the following:

The Federal Government to acquire—

"(b) A tract on the north shore of Oahu consisting of about 9 acres, shown on blue print marked 'B'."

The Federal Government to relinquish—

"(d) A tract of approximately 62 acres of land at Lualualei Military Reservation, shown on blue print marked 'D'."

The proposal of the land exchange under subparagraph (a), paragraph 20, was initiated after the proposal of the exchange under subparagraph (b), paragraph 20, due to the fact that the Aiea exchange was temporarily held up. The necessity for a camp site and training site on the north shore was great, so the two items mentioned above were included in the later negotiations. As it appears

that these negotiations will be completed prior to the expiration of the land exchange act, the two items above will be eliminated from the future Aiea exchange and probably balance each other so that they will not affect the proposed exchange of the Aiea Reservation for the Maili pocket tract. This would no doubt allow the negotiations for exchange of the Aiea and the Maili pocket tract to proceed on the basis of a straight exchange, or, should the value of the Aiea tract (which is very probable) be greater than the value of the Maili pocket tract then it would permit the inclusion of some fire-control stations, observation stations and gun positions desired to carry on the project for the defense of Oahu.

PRESENT STATUS OF ALL NEGOTIATIONS FOR LAND EXCHANGE UNDER THE PROVISIONS OF THE LAND EXCHANGE ACT

22. It is apparent that the commanding general Hawaiian Department spent a great deal of time and thought in his attempts to effect the exchanges with the Territory, particularly with reference to the acquisition of the Kalona tract by the Army. As the time of the operation of the land exchange act was short, it can be seen that much time was lost in accomplishing anything definite, due to the failure of his negotiations with the Territory of Hawaii. He then turned to the exchange of Government-owned land for privately owned land and it can be seen from the negotiations mentioned above that much headway was made, and the results are very gratifying, although the steps necessary to final arrangements in land exchange are necessarily tedious.

23. As stated at the beginning of this study, and before making any definite recommendation, it is deemed advisable to present in concrete form what has been accomplished, what has failed of accomplishment, and what is hoped to be accomplished, in order to present the advantages of the extension of the land exchange act for a period of one year from January 31, 1925.

(a) Under the land exchange act the following has been accomplished:

(1) Magoon trust exchange:

The Federal Government relinquished approximately 3.5 acres, Fort Ruger Reservation, valued at-----	\$5,000.00
The Federal Government acquired 3.5 acres, adjacent to Fort Ruger Reservation, valued at-----	5,000.00

(b) Under the land exchange act the following negotiations are in process of accomplishment and will probably be consummated prior to the expiration of the land exchange act:

(1) Fort Ruger exchange:

The Federal Government to relinquish—	
Diamond Head, 9.2 acres, valued at-----	\$18,400.00
Lualualei, 62 acres, valued at-----	12,400.00
Total-----	30,800.00
The Federal Government to acquire—	
Land on north shore, valued at-----	\$28,796.80
Fire-control and gun positions, valued at-----	2,037.20
Total-----	30,834.00

(2) Fort Shafter exchange:

The Federal Government to relinquish lot on Allen Street, 30,000 square feet, valued at approximately-----	50,000.00
The Federal Government to acquire addition to Fort Shafter and Tripler Reservation, 19.4 acres, valued at approximately-----	50,000.00

(c) Under the land exchange act the following negotiations were dependent upon the decision of the joint board. This action was favorable to the continuation of negotiations for land exchange but will probably not assure the accomplishment of the exchange prior to January 31, 1925, the date of expiration of the present land exchange act.

(1) Aiea exchange:

The Federal Government to relinquish Aiea Military Reservation, valued at approximately-----	\$100,000
The War Department to acquire Mail pocket tract, valued at approximately-----	100,000

(d) Under the land exchange act the following has failed of accomplishment and in order to be accomplished will depend largely upon the extension of the land exchange act for a period of one year:

(1) Sand Island exchange:

The Federal Government to relinquish, with reservations, to compensate for difference in actual and appraised valuation, Sand Island, valued approximately at-----	\$3, 500, 000
The Federal Government to acquire—	
The Kalena tract, valued at-----	65, 000
Small plots for fire-control stations, value not determined.	
Gun positions, observation stations, etc., value not determined.	

CONCLUSIONS

24. It would appear that there should be no great difficulty in the commanding general Hawaiian Department and the Governor of the Territory of Hawaii coming to some agreement relative to the exchange of Sand Island for the Kalena tract and other properties. The fact that the matter has not proceeded any further is probably due to the following two causes:

(a) The commanding general Hawaiian Department probably refuses to concede to the demands of the Governor of Hawaii on the grounds that he has made all the concessions he can possibly make, and if he included any other land now owned by the War Department in this exchange it would not receive the approval of the War Department and not conform to the requirements of the land exchange act.

(b) The Governor of the Territory of Hawaii, while realizing no doubt that the commanding general Hawaiian Department has gone as far as he can from the War Department standpoint, still he, the governor, must comply with the wishes of the Territorial Legislature as expressed in extract from Senate Journal, Hawaii, Twelfth Legislature, regular session, 1923, and to other local political conditions. The acquisition of Sand Island by the Territory, if the land exchange act is extended, appears to give these two officials an opportunity to go over all aspects of the case and probably effect a definite exchange prior to January 31, 1926. In case the land exchange act is not passed, the Federal Government must secure the Kalena tract by condemnation and purchase, involving an appropriation of \$65,000, and that should the land exchange act pass, the Territory of Hawaii, should it still desire Sand Island, must secure same by congressional legislation. This, if accomplished, will probably consume so much time that it would be more advantageous to the Territory to acquire this property by exchange under existing laws than to go to the expense, time, and trouble to secure congressional legislation which it is not at all certain would be passed.

25. Unless the land exchange act is extended for a year from January 31, 1925, the exchange of the Aiea Military Reservation for the Maili Pocket tract will fail of accomplishment on account of the limited time remaining between the final action of the joint board (November 3, 1924) and the date of expiration of the land exchange act (January 30, 1925). This will necessitate an appropriation by Congress of at least \$95,000 to acquire the Maili Pocket tract by condemnation and purchase.

26. It will be noted from the above facts that considerable has been accomplished or is in process of accomplishment prior to the time when the provisions of the land exchange act will expire, but reference to the original specific request for the passage of the bill, contained in letter from the commanding general Hawaiian Department to The Adjutant General (Q. M. 680.41) dated July 19, 1921, with accompanying letters, shows that the acquisition of land to be acquired by the passage of this act, namely, the Kalena tract and the Maili Pocket tract, has so far failed of accomplishment and will probably fail of accomplishment within the limit of the time allowed by the land exchange act.

27. It will be noted from the above that conditions have changed considerably since the passage of the act and that there have been many unforeseen benefits from the act. It has been well worth while and of considerable saving to the Government to have had this land exchange act in force for a period of three years, even though the two main tracts of land to be acquired and the acquisition of which was the moving factor in requesting the original legislation have not been acquired, still many benefits have accrued from this act. Should the act be extended for a period of one year and the acquisition by the Government

of the Kalena and the Maili Pocket tracts be accomplished, then this accomplishment alone would certainly justify its extension.

28. An extension of the land exchange act was requested by the commanding general Hawaiian Department in letter dated July 17, 1924. The commanding general at this time was not the same commanding general who requested the original passage of the act, and, should the act be extended, there will still be another commanding general Hawaiian Department during the period of extension.

29. To date the attitude of the Governor of Hawaii in this matter has not been determined. The commanding general Hawaiian Department, however, has been directed by the War Department to ascertain the attitude of the Governor of Hawaii on the question of the extension of the land exchange act for a period of one year. Whatever the governor's attitude may be, it will probably not affect the attitude of the War Department in attempting to make suitable land exchanges with private interests in order to acquire sites for military establishments without making requests for appropriations from Congress to acquire by condemnation and purchase additional tracts to carry out the plans based on the project for the defense of Oahu.

IV. OPINION OF THE WAR PLANS DIVISION

It is the opinion of this division that Public, No. 135, Sixty-seventh Congress, an act to provide for the exchange of Government land for privately owned land in the Territory of Hawaii, should be extended one year by Congress as being in the best interests of economy and national defense.

V. ACTION RECOMMENDED

1. This division recommends that Congress be asked to extend the land exchange act (Public No. 135, 67th Cong.), as requested by the commanding general Hawaiian Department in a letter to The Adjutant General. (Q. M. 601.3-U, July 17, 1924.)

2. A draft of the proposed bill and a draft of a letter of transmittal to the chairman Committee on Military Affairs, House of Representatives, are inclosed herewith.

LEROY ELTINGE,
Brigadier General, Assistant Chief of Staff.

